CHAPTER VII

OTHER PARTICIPATING NATIONS INCLUDING INDIA

The nations and agencies, involving in the development aid programmes are mainly from the western and communist bloc countries. The motivations of various participating countries in this programme depends on each country’s or agency’s ideology. The nations or the agencies, giving the development aid to the underdeveloped countries is not necessarily as useful to a particular underdeveloped sector. Because the donor country may not concentrate on the request of the donee country, due to the concept of development which is so vast. Therefore, the donor will see the relationship with the recipient country in terms of donor’s main objective in giving the development aid. The concept of "development" covers the agriculture and industrial sectors, especially the rural extensions. The rural extensions will take place within a process of development and cannot be considered as an isolated activity. Extension programmes and projects and extension agents are part of the development of rural societies. It is, therefore, important to understand the development and to see how its interpretation can effect

the course of rural extension work.

The term "development" does not refer to one single phenomenon or activity nor does it mean a general process of social change. All societies, rural and urban are changing all the time. This change affects, for example the society's norms and values, its institutions, its methods of production, the attitudes of its people, customs and practices are never statistic but are continually evolving into new and different forms.

The societies are changing and rural extension attempts to develop certain aspects of society in order to influence the nature and speed of the change. With this change or development, the people can build up their future with self-sufficient products, provided the development should take place in urban industrialization and rural improvement.

Therefore, the donor country may not think the concept and the process of the development. The donor country knows that this development aid cannot solve the under-developed countries problems as a whole. So that the developed countries who are involved in the development aid activities will/concentrate the relationship with recipient country which is useful to the donor in the needful time. From the donor country's point of view, the instruments of development aid are still used in
different combinations according to the best current judgements of ambassadors, economists, field technicians, administrators in abroad.  

So, the motivations and strategic plans of the donor countries in the development programmes are in various kinds and forms. The donor countries to the East Central Africa are the Organisation for Economic Co-operation and Development countries, which came into existence in 1960 -- Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany (FR), Italy, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland, UK, USA and commission of the European community -- the Council for Mutual Economic Assistance, countries -- Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, Romania and USSR -- and the Organisation for Petroleum Exporting Countries. When the donor countries are supplying the development aid to the East Central Africa, the donor governments will think about the nature of the aid, maturity period and the quantum of aid and quality of the aid. Even they will think that the reason, while giving the aid to the East Central Africa.

Basing on the availability of sources of aid, the donor country will give in the first year of loan agreement.

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If the aid is goods or technical experts, it is possible for the donor country to give the aid in the first year of agreement, otherwise if it is related to a power project work, it may take ten years time. In this regard, estimating the requirements for assistance was the first step in the Marshall Plan. The problem of estimating the requirements for the less developed countries is much more difficult. It is not the question of supplying the goods to the required countries for the reconstruction of a previously existing establishment, but also of a wide variety of new economic and social structure. It may take even one decade.

Because any estimate of requirements must be related to some objective i.e. it must make assumption covering rates of domestic savings and investment as well as probable foreign exchange earnings. In this connection, it is difficult to diagnose or to determine the object and motivations of donor governments. For example, it is certain that the interest of France and that of Austria in less developed countries are by no means the same. Furthermore, in some cases there are virtually no official voices speaking the subjects, while in others, multitude often giving different reasons for their position. In the case of British government, it has said

that the basis of its aid programme is a moral one, but at the same time it can be defined in political terms as an important part of international politics.\textsuperscript{5}

The USA's aid towards the less developed countries is covering the objective of sense of security and to prevent the attack of communist bloc. In the same way the USSR and China are working out their aid programmes towards the underdeveloped countries with their self-interest motives. Therefore, the donor country will think about their aid to the East Central Africa with a particular framework which is consisting of their main interest, and can proceed to forward to declare their aid. The identification of the basic motivations and strategy planned targets of each donor country and agency in the case of East Central Africa will be discussed.

**USSR: Its Identity and Motives**

The Soviet Union is another Super Power in the global society. Its competition with the USA is to lead to the atmosphere of cold war in the international relations. Though it is not colonial power to the East Central Africa, the Soviet Union is involving in the development aid programme in these countries, and the activities with self-interest

\textsuperscript{5} Ibid., p. 322.
are based on its desire to disrupt the political economic system established by the European countries in Africa in the eighteenth and nineteenth centuries.  

The Soviet Union is trying to make the East Central Africa to trust their economic structure or system. In its economic and technical co-operation with the East Central Africa, the Soviet Union focuses its assistance on helping in the development of productive branches of the economy, first and foremost on the creation of industrial and power capacities, the development of agriculture, mineral prospecting and the training of local personnel. The Soviet's identity in supplying the aid in various forms to the East Central Africa is very familiar in the international scene. With these activities, the underdeveloped countries can trust in restructuring their economic system in the most efficient manner and tackle the most important problems and by solving their problems, they can raise their living standard in the international economic relations. Soviet Union is not only participating in the economic activities but also shows an increased willingness to commit military resources to African conflict situations in the few years.  

8 Bissell, n. 6, p. 9.
declared the policy of "peaceful co-existence". In fact, the Soviet's aid had its evolution. The early post-war period, Moscow fully encouraged militants tactics by local communist parties. During the Stalin's time the less developed countries were regarded as dependents on capitalists powers and the Soviet relations with the less developed countries did not go beyond its normal diplomatic relations. In spite of these activities, Soviet Union was projected that it was a champion of the anti-colonialists.

After Stalin's death, there was radical change in its attitudes towards the aid programmes to the less developed countries, basing on the local communist parties negative movements and the newly independent states in Africa are caused to increase the anti-western views in Soviet Union. According to Lenin's teachings, there was atmosphere of downfall of capitalism in Third World countries with the strength of the communist doctrine to 'liberate' the colonies and that capitalism is well on its way to final collapse. After that Soviet activities in the development programmes are increasing to influence the people in the Third World countries as well as the East Central Africa. At present the situation of Soviet Union's future plans for the welfare of the world is progressive.

During the period 1973-1982, the Soviet Union has given military assistance to Uganda mainly. According to the Harbour sources, the Soviet Union has sent sixteen medium tanks (Soviet T-54) to Uganda through Kenya.\(^\text{10}\) This was informed on 27 February 1975 when the tanks were arrived at Mombasa. Another important arms supply incident is that the President Amin has taken delivery of 18 Soviet amphibian and ordinary tanks which were handed over officially by the Soviet ambassador in Kampala.\(^\text{11}\) Along with these tanks, a party of Russian military experts has come who are training Ugandan soldiers in their use. The Soviet Union has the military assistance programme and it is giving assistance to Uganda during the regime of Amin. President Amin officially received a squadron of Soviet-built MIG-21 aircraft, which were handed over at a ceremony in Kampala on 17 September 1975 by Soviet Ambassador Zakharov.\(^\text{12}\)

**China**

China's aid towards the Third World countries is only to maintain some diplomatic relations. It was noted that the Chinese leaders were not prepared to extend economic

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11 Ibid., no. 3, 30 April 1975, p. 3577B.

12 Ibid., no. 9, 31 October 1975, p. 3778C.
assistance to non-communist governments. In the early days of its programmes its economic assistance to the East African nations is at micro level. The motives for the bloc preference for credits is probably a mixture of psychology and good business sense. The basic goals of China's foreign policy have been "to ensure the security of the state of China and to ensure the continued authority of the communist party within the state". The Chinese emphasis on this statement, it gave the development aid in the form of military assistance or arms to the East Central Africa during the period of 1956-1976, especially to Tanzania. Tanzania's prominent place among Peking's aid recipients is explained as resulting from its socialistic leadership and philosophy of self-reliance, its demonstration value as a model of China's relationship with small impoverished states. And it emphasized the strategic location and commitment of China to support the liberation movements in Africa. The Chinese aid programmes are continuing in Tanzania.

China's foreign aid in the form of arms transfer during the period 1967-1976 was worth $1 million for Burundi.


$ 1 million for Rwanda and $ 75 million for Tanzania, and the economic aid for the period 1956-1977 was worth $ 20 million for Burundi, $ 17 million for Kenya, $ 22 million for Rwanda, $ 362 million for Tanzania and $ 15 million for Uganda have been given. It is remarkable to note down in this aid programme that the railway line between Tanzania and Zambia was established with the help of Chinese aid.

**France**

France is one of the biggest donors. From the beginning, France was interested in the development aid programmes. Its value of aid in early 1960s and late 1960s was generally high. Because the people of France are in favour of development programmes in Third World countries and the report of this particular survey has already been discussed. Much of the official assistance to developing countries was voted annually through the French budget. The methods and purpose of aid will move in various types from year to year basing on the nature of the demand for aid. In this connection, the ministries have been involved in the administration of aid programmes particularly. In the case of the East Central Africa, the Ministry of Corporation of France is responsible

to look after the aid programmes. In fact, the development aid programmes are in progress through five principal agencies which are responsible for different aid operations.\(^\text{16}\) These are as follows:

(1) The secretariat of State for Foreign Affairs Responsible for Co-operation (part of the Ministry of Foreign Affairs but administratively separate, and with its own budget);

(2) The Directorate-General for Cultural, Scientific and Technical Relations (one of the normal sub-units of the Ministry of Foreign Affairs);

(3) The Central Fund for Economic Co-operation (CCCE). (A public institution not forming part of any ministry but under the policy control of the Ministry of the Economy and Finance and of the Ministry of Foreign Affairs);

(4) The Ministry of Finance

(5) The Ministry of State for the Overseas Departments and Territories.

The functions of the agencies are distinguished principally by the countries they cover. Therefore, the French government can take care of the aid programmes in such way through these agencies, the recipient countries can feel no

inconvenience in this regard. When the process is in a systematic way, the works or the functions will go smoothly with more production. This is the reason that France is going forward in this programme among the European countries in assisting the underdeveloped countries. The French government had constructive method in implementing the policies of its objectives. It restructured its plans in respect of financial problems. It decided to set right the financial strains in the country and involve in the development aid progress. So it restructured its plans more than four times to get more Gross National Product. Unless it gets financial stability, the French could not supply or give the development aid to the East Central Africa and Third world countries. Its motivations in this regard are mainly to get economic benefit and some political influence. The development aid from France has been given to Kenya and Uganda and other African nations. France has given a loan of $ 5 million to Kenya for a new broadcasting station and other equipment. It is the first major French loan to an English speaking African country. France and Kenya have signed two agreements for French aid totalling Shs. 374 million.


The money will be used to buy equipment for the Kenya Ports Authority, the Kenya Railways, the Meteorological Department and the Kenya Post and Telecommunication. In case of Uganda also France has granted 3.8 million francs in supplementary aid to cover the cost of transporting equipment. French government is participating in the development aid programmes actively in the East Central Africa.

Canada

The Canadian aid programme is managed by the Canadian International Development Agency (CIDA), a semi-autonomous agency under the secretary of state (Minister) for External Affairs. The functions of CIDA have been officially defined as to operate and administer Canada economic assistance programmes; to ensure co-ordination in the operation of other departments concerned with various aspects of these programmes, to consult and co-operate as appropriate with international organisation agencies and with Canadian voluntary agencies active in developing countries, and to co-operate Canadian efforts to provide emergency assistance. Within the framework of its aim, the

19 Ibid., vol. 18, no. 5, 30 June 1981, p. 6055C.
20 Ibid., no. 7, 31 August 1981, p. 6128C.
21 Cunningham, n. 16, p. 119.
Canadian government is exerting its development aid programmes. With the principles of aid agency, the CIDA is extending its co-operation to the East Central Africa. Its development aid worth £ 902,400 had been given to Kenya by signing an agreement on 12 November 1974 for the joint establishment of a unit within the Tourism Ministry to assist Kenya in developing its livestock, industry and national range land policies. The development assistance to Kenya is also extended by sending technical experts and specialized equipment. This particular aid has been given to Kenya by signing an agreement on 29 January 1976 with Kenya worth Shs. 400 million including the loan worth Shs. 8.8 million for mineral exploration.

According to this agreement, Canada is to give training to Kenyans in exploration techniques. Not only that, Canadian government has signed an agreement with Kenya to give the loan of £ 440,000 to assist the Kenya development mines and geology in carrying out an airborne geophysical survey which is a new agreement. The Canadian government has also agreed to give technical training to Kenyans in Canada as per the agreement signed on 3 September 1982.

23 Ibid., vol. 13, no. 2, 31 March 1976, p. 3826A.
24 Ibid., vol. 14, no. 6, 31 July 1977, p. 4347B.
25 Ibid., vol. 19, no. 8, 30 September 1982, p. 6572B.
Canada is one of the donors to Tanzania. It has made two agreements with Tanzania in the month of February 1974. One agreement was signed on 15 February 1974 for which Canada will provide Shs. 154 million to construct electricity supply installations from the Kidatu power station to Dar-es-Salaam and another agreement was signed on 22 February 1974. According to this agreement Canada is to provide Tanzania with Shs. 10,952 million grant to help the mining industry. Canada has also extended its cooperation to Tanzania in giving loan for the development of Tanzania's Investment Bank. In this connection, an agreement was signed by these countries. Canada agreed to give Shs. 14 million to Tanzania for the development of Tanzania's Investment Bank. The loan will be repayable within 40 years of period with 10 years grace period. It carries no interest. The grant is worth Shs. 215 million which is available in rare occasions basing on the agreement which was signed on 11 August 1982. This grant is to assist in getting progress in oil exploration in Tanzania.

Netherlands

The development aid programmes activities in Netherlands have been extended to Kenya and Tanzania. There

26 Ibid., vol. 11, no. 2, March 1974, p. 3054A.
27 Ibid., vol. 12, no. 2, 31 March 1975, pp. 3442B and C.
28 Ibid., vol. 19, no. 9, 31 October 1982, p. 6604A
were 5 agreements with Kenya and 3 with Tanzania during the period 1973–1982. Netherlands' aid programme is managed by Directorate General for International Co-operation which forms part of the Ministry of Foreign Affairs but enjoys a high degree of autonomy and has its own ministry.

Netherlands' agreements with Kenya in this connection have been made to grant loans, fertilizers and infrastructure equipment for the period 1975 to 1979. Netherlands was granted the loan of Shs. 123 million to help Kenya in development projects. The loan formed as financial and technical assistance, to be repayable over 30 years of period, after an eight years grace period at an interest rate of 2.5 per cent per annum. 29 The agreement between Netherlands and Kenya was signed with two-fold manner. According to the agreement, the amount was Shs. 165 million. Out of that amount, Shs. 122 million was a soft loan, repayable over 30 years with an eight years grace period. As per the conditions of this agreement, Kenya has to use this amount to purchase goods and services from the Netherlands or from any developed country. The remaining amount of Shs. 43 million has no strings attached. 30 Another agreement has been made in 1979 for Shs. 55 million to purchase 116 trucks and also in the same year there was an agreement by the Netherlands

29 Ibid., vol. 12, no. 2, 31 March 1972, p. 3441C.
30 Ibid., vol. 14, no. 1, 28 February 1977, p. 4186C.
to provide 50,000 tonnes of fertilizer to Kenya. The Netherlands has agreed and allocated Shs. 4.8 million as initial capital aid for Kenya for the necessary development infrastructure in Lusi Git area in Kiambu district.

The Netherlands co-operation has been extended to provide long-term loan to Tanzania and an amount of Shs. 13.5 million has been given for the Tanzania Investment Bank. The Netherlands has agreed to provide grants and loans for various development projects, to Tanzania worth Shs. 128 million for the period 1975-76. This amount is to be spent on the projects of agriculture, education, natural resources and water development. Since, the Netherlands was willing to co-operate to develop the Tanzania's welfare projects, it has signed an agreement in Dar-es-Salaam on 25 April 1980 to grant a loan of 420,000 shillings for water, livestock, sugar and industrial development projects. So, the development aid programmes of Netherlands in Tanzania are based on commercial motivations. By giving the aid to Kenya and Tanzania, one way the Netherlands is making the East African countries to purchase the Netherlands technical

31 Ibid., vol. 16, no. 9, 31 October 1979, p. 5286B.
32 Ibid., vol. 10, no. 7, 31 August 1973, p. 2829B.
33 Ibid., no. 2, 31 March 1975, p. 3442C.
34 Ibid., vol. 17, no. 4, 31 May 1980, p. 5526A.
equipment in various sectors. Therefore, the Netherlands co-operation and assistance in these two countries in the development aid programmes are caused for economic benefits and at the same time, the Netherlands can improve its indigenous production more and more.

**Finland**

The Finland's participation in the development aid programmes in the East Central Africa is also countable in the western donor activities. In this context, Finland has signed an agreement with Kenya to grant a credit of Shs. 14 million as a special assistance, on 30 May 1975. This particular aid has been made available as a result of an appeal by the UN Secretary General for emergency assistance to the developing countries, most affected by the energy and inflation crisis. This money will be used to buy Finnish equipment for rural electrification and allied projects in Kenya.

For the construction of 30 housing units at Masasant Peninsula, Dar-es-Salaam, an agreement was signed on 26 January 1973 between Tanzania and Finland. This agreement provides the grant of Shs. 3.5 million to Tanzania. Another agreement also has been signed between these two countries.

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35 Ibid., vol. 12, no. 6, 31 July 1975, p. 3570A.
36 Ibid., vol. 10, no. 1, 28 February 1973, p. 2636B.
on 11 July 1975. As per this agreement the Finland government can provide a credit of Shs. 30 million and the interest rate is 0.75 per cent per annum. Finland is giving co-operation to Tanzania better than Kenya. It has given assurance to Tanzania to the effect that it will provide the grant of Shs. 50.6 million in the form of financial resources, commodity, personnel and consultancy services. The money will be used for the development of wood industry, health service, water resources, mineral resources and education purposes.

Denmark

The Danish programmes are to be executed through the Danish International Development Agency (DANIDA). This is an integral part of the Ministry of Foreign Affairs, and some of its staff are aid specialists. Most of the members in the Agency are members of diplomatic service, who did work for a tour of duty. To deal with the development aid activities in this country, there was a Ministry for International Development Co-operation till 1971. This Ministry is member of the cabinet along with the Minister of Foreign Affairs and technically in charge of aid activities. This particular office was abolished in 1971 and DANIDA directly came under the Minister for Foreign Affairs.

37 Ibid., vol. 12, no. 6, 31 July 1975, p. 3569A.
38 Ibid., vol. 12, no. 11, 31 December 1976, p. 4111C.
The DANIDA covers all aid activities except the world food programme. The food programme is under the Ministry of Agriculture. The development aid programmes of Denmark are extended to Kenya and Tanzania during the period of 1973-82.

The Denmark signed an agreement with Kenya on 10 October 1973 to give a loan of Shs. 50 million for the use of agricultural, industrial and other sectors' development. According to this agreement, Kenya has to repay the amount in 35 years with a 10-year grace period. In the context of economic and technical co-operation there was an agreement between Denmark and Kenya and Denmark has agreed to provide Shs. 25 million in aid to the Kenya Rural Development Fund for the period 1975-1977. Out of this amount, according to aid condition, Shs. 3 million is to be spent towards financing the village polytechnics and Shs. 3.4 million for the purchase of equipment for the "Survey of Kenya". To finance the administrative support unit for the Ministry of Health, in Kenya, Denmark signed an agreement with Kenya on 7 June 1977 to provide a grant of Shs. 1,365,000. For the rural development in Kenya, Denmark has given an amount of Shs. 6.8 million loan at the rate of 3.5 per cent interest. This

39 Ibid., vol. 10, no. 9, 31 October 1973, p. 2894A.
40 Ibid., vol. 12, no. 3, 30 April 1975, p. 3474A.
amount will be lent by Kenya government to the co-operative Bank of Kenya to provide low-interest loans to small holders. 41

Kenya has received a grant worth Shs. 76 million from Denmark for the development of rural roads. Therefore, Denmark has participated in the development aid programmes in the East Central Africa for the commercial benefits and some times keep the charitable motivations. In the case of Tanzania, Denmark has provided the development aid to it without any interest. Denmark has given an interest-free loan to Tanzania in 1975, worth Shs. 48 million to finance the irrigation project in two regions. This amount is to be repaid over 25 years with a ten years grace period. 42 Tanzania has received another grant of $ 121.25 million from Denmark, to finance projects including rural water supply development, rural electrification. 43 So, Denmark's aid to Tanzania and Kenya is covered for the development of irrigation and rural areas.

Norway

Norway is one of the Scandinavian aid countries to give assistance to Kenya and Tanzania. The origin of this aid programmes is that the Royal Commission has taken

41 Ibid., vol. 14, no. 8, 30 September 1977, p. 4417B.
42 Ibid., vol. 12, no. 3, 30 April 1975, p. 3474B.
initiative in the 1960s to rationalize the peacemeal administrative projects by different ministries. As a result the Norwegian Agency for International Development (NORAD) was established in 1962. Norwegian aid authorisation is by means of the Ministry of Foreign Affairs budget. Norwegian aid to Kenya was less than Tanzania's during the period 1973-1982. Norway has given its aid to Kenya in cash and kind. Kenya has received Shs. 24 million loan from Norway for rural development and it was the fifth loan for Kenya since its independence. To assist the irrigation project scheme of Kenya, Norway granted the aid to Kenya of Shs. 5.25 million under an agreement signed on 2 June 1976. In 1979, again, Norway provided a grant of Shs. 23 million for the development of road from Marich Pass in West Pokot district to Kolokol in Turanna district. In the same year Norway extended its cooperation to Kenya by providing 9,400 tonnes of fertilizer for the development of agriculture.

The Norwegian government can co-operated in giving aid to the East African nations viz. Kenya and Tanzania, with an objective of development of its international activities as well as the economical benefits. The Scandinavian countries have the same motivation in these activities within their framework of foreign policy.

44 Ibid., vol. 12, no. 9, 31 October 1975, p. 3665C.
The Norwegian government does not have a separate desire or motivation towards the development aid programme in Tanzania. The Norwegian government has made two grants in 1974 to Tanzania, totalling Shs. 58 million for Tanzania Investment Bank, to finance the industrial projects and for the development of the Kilimanjaro National Park. Also to help Tanzania, the Norwegian government has agreed to grant $ 94.75 million over the next four years. This grant has been given to Tanzania in 1976. The amount of this grant is meant for the improvement of water resources, survey, secondary schools, fisheries development, dispensaries and projects carried out by Tanzania Investment Bank. Tanzania signed an agreement with Norway in the month of August 1977 to get grants. Norway agreed and gave the grant totalling Shs. 7.16 million. According to this agreement, an amount of Shs. 5.6 million is for the establishment of a forestry department at the university of Dar-es-Salaam and the remaining amount is meant for housing of Norwegian staff in Tanzania.

Since Tanzania is not self-sufficient in water supply programme, it requested the Norwegian government to help in developing the water supply. Accordingly Norway has

46 Ibid., vol. 13, no. 4, 31 March 1976, p. 3889B.
47 Ibid., vol. 14, no. 8, 30 September 1977, p. 4418A.
agreed and an agreement was signed by both the governments on 16 January 1981 to develop the phase of two water supply programmes for Kigoma and Rukwa regions.\textsuperscript{48} In the same year, Norway extended two grants totalling Shs. 204 million balance of payment support will be given to finance inputs in agriculture, transport and industries during 1981-1982 fiscal year.\textsuperscript{49} The second grant Shs. 4 million is to assist the university of Dar-es.Salaam in the fields of Chemistry and Chemical Engineering. So, Norwegian aid to the East African nations is indicative of the nature of the aid and its motivation. By giving the aid, Norway will have the good friendly relationship with Kenya and Tanzania. At the same time, these African nations can co-operate by sending necessary raw material for the industrial development in Norway. It is a mutual understanding between donor and recipient countries since most of the aid is in the form of grants.

\textbf{European Economic Community}

The European Economic Community in the development aid programmes is playing an important role among the multilateral agencies in the East Central Africa. The aid from this community will also be given through various channels viz. regional banks or UN special fund. The EEC

\textsuperscript{48} Ibid., vol. 18, no. 2, 31 March 1981, p. 5855C.

\textsuperscript{49} Ibid., no. 9, 31 October 1981, p. 6196B.
will give the development aid from the European Common Market and Development Fund. Now the role of EEC will be discussed, how it is co-operating with the East Central Africa, and how it is functioning. An anti-inflation grant has been granted to Kenya to help offset the effects of inflation. This grant worth $ 2.1 million and the EEC has also contributed $ 25.5 million to Kenya to the programme of which $ 10.5 million will remain in the UN special fund. 50

This amount will be used to buy foodstuffs, chemical products, equipment and essential services from the European Economic Community. In the same year the EEC has given a loan of Shs. 300 million to Kenya for the development projects in the eastern province of Kenya. 51 The development aid worth $ 3.5 million has been granted by the EEC as soft-loan for the construction of 8 veterinary centres and 135 cattle dips in the coast province of Kenya. 52 The EEC's co-operation and needful help, for the development of Kenya are valuable which included the development of cattle and their hospitals.

For the development of irrigation and the construction of reservoir and power station, Kenya has been granted by the EEC a special loan of Shs. 246 million. This

50 Ibid., vol. 11, no. 12, 31 January 1975, p. 3373A.
51 Ibid., vol. 12, no. 11, 31 December 1975, p. 3728A.
52 Ibid., vol. 14, no. 3, 30 April 1977, p. 4249B.
loan can be given from the European Development Fund which is repayable over 40 years at an interest of 1 per cent with a 10-year grace period. 53 In terms of financial aid to Kenya, the EEC has its options to provide any sort of aid. So the EEC has agreed to give Kenya Shs. 82.5 million to help in the field of exporting the coffee to various countries. 54

Kenya has to get improvement with modern technology in every sector of its fields. Even it could not improve its roads in western Kenya properly. In this connection, to construct the roads in western Kenya, it has been given an European Development Fund grant of $1 million and a loan on special terms worth $9 million. 55 The European Economic Community has given its co-operation by giving the loans to Kenya.

The EEC co-operation also extended to Tanzania, Uganda, Burundi and Rwanda. The EEC has its own commitments towards the international development activities and the self-interest of commercial motivations. Sometimes the EEC will act according to the UN's decision in the welfare of the developing countries basing on humanitarian grounds. To quote one example is that the EEC has offered Tanzania about

53 Ibid., vol. 14, no. 5, 30 June 1977, p. 4314A.
54 Ibid., vol. 19, no. 1, 28 February 1982, p. 6356A.
55 Ibid., no. 7, 31 August 1982, p. 6536A.
Shs. 21 million in grant in-aid. The offer is in line with the UN's decision to assist the developing countries badly hit by the energy crisis. 56

Tanzania has also received a loan of Shs. 23.3 million from the European Investment Bank, which is repayable in 11 years, at the rate of 5-7/8 per cent interest. There was a request from Tanzania to the EEC for special loan to develop the roads. The EEC agreed and gave a special loan of 5 million of ECU for the road construction. 57 Basing on these factors disclosed above, the EEC contribution in the development aid programmes is indicating that the objectives of EEC are to maintain a balanced international relations with these countries and achieve the goal of economic benefit.

The EEC's role in giving the aid to Uganda is also very important. The EEC's financial aid which is new loan of Shs. 80 million to Uganda is to compensate the loss of tea and cotton export earnings in 1978. This was given on 3 October 1979, 58 and also the EEC gave financial aid of Shs. 185 million to Uganda for development projects. For the development of technical schools, Uganda received the

56 Ibid., vol. 12, no. 5, 20 June 1975, p. 3537C.
57 Ibid., vol. 19, no. 11, 31 December 1982, p. 6674A.
58 Ibid., vol. 16, no. 9, 31 October 1979, p. 528 5B.
EEC's aid worth Shs. 2 million to buy scholaristic materials. The EEC and the Canada development association also agreed to co-finance Uganda's rehabilitation task with $20 million and $30 million respectively. These loans are repayable over 50 years with a 10 year grace period. The EEC granted aid to Uganda worth Shs. 20 million for the repairs of the Kampala Masak road. The development aid or foreign assistance to Uganda is an upliftment for the peoples. In fact, the people of Uganda are in such a condition that they have to have any foreign assistance for their lives.

For the development of the people of Uganda, the EEC gave a grant of Shs. 5.1 million for the development of poultry and fishing production, which have been the other sources of livelihood. So, the EEC is co-operating with Uganda for Uganda's indigenous production. If the underdeveloped countries are given help or upliftment by the developed countries, the developed countries need not to take this type of strain in future. If the underdeveloped countries are better in development, it is relief for the developed countries.

The EEC's aid for the African countries is seen for the development of the industrial sector in various

59 Ibid., vol. 17, no. 2, 31 March 1980, p. 5452C.
60 Ibid., no. 8, 30 September 1980, p. 5669C.
61 Ibid., no. 10, 30 November 1980, p. 5726C.
fields. Since the European Economic Community's main objective is to develop the industrial sectors, this community has helped Uganda by giving Shs. 855 million for the rehabilitation of the seeds industry. 62 If the seeds are in good quality, then the production will be of good quantity. This is basic factor for development in the agriculture sector.

The Central African countries, viz. Burundi and Twanda are small and poor countries in development. The EEC's co-operation or help in development in these countries also have been in existence since 1973. For the development of tea cultivation and tea processing plant, the EEC has given a grant of Shs. 12,600,000 to Burundi in 1973. 63 The development of agriculture, the irrigation facility are very important to these countries. So, at the request of Burundi, the EEC has given a grant of $ 1.2 million from the European Development Fund for irrigation project in Ruzuzi river valley in the north-west Burundi. 64 The tea is one of the main cash crops in Burundi. For the improvement of tea plantation, Burundi has been granted 336,000 in 1975 by the EEC. 65 In 1976 the EEC agreed to grant Burundi a non-repayable loan of 197,000 units of account, for the enlargement of a tea factory in Burundi. 66 In the year 1977,

62 Ibid., vol. 19, no. 10, 30 November 1982, p. 6637B.
64 Ibid., vol. 11, no. 9, 31 October 1974, pp. 3274A and B.
65 Ibid., vol. 12, no. 10, 30 November 1975, p. 3697A.
66 Ibid., vol. 13, no. 8, 30 September 1976, p. 4015A.
the EEC allocated the aid to Burundi for the development of tea plantation and shelter for the workers, working in the tea estate. For this expenditure the EEC gave Burundi 418,000 units of account and 862,000 u. a. in the months of February and April 1977 respectively. 67

In the case of Rwanda, the EEC agreed on 22 January 1973 to grant non-repayable loan from the European Development Fund for the following purposes. 68 The aid of 40 million Rwanda francs, for the construction of 19 kilometer of overhead power cables, destined principally to supply electricity to the tea factory at Gisakura. Another grant of 39 million Rwanda francs, as an additional grant has been given to Rwanda, towards the construction of the Gisakura factory.

The Rwanda is landlocked country. Therefore, it has transport problem for its movements. Once it happened to close the Kenya-Uganda border temporarily. Due to this event, Rwanda had a problem. Therefore, to remove this type of obstacle, the EEC approved a grant of £ 3 million to Rwanda to meet the transport expenditure, 69 since Rwanda is small and landlocked country the border and transport problems common to it.

67 Ibid., vol. 14, no. 1, 28 February 1977, p. 4185B.
68 Ibid., vol. 10, no. 1, 28 February 1973, p. 2634B.
69 Ibid., vol. 13, no. 9, 31 October 1976, p. 4049A.
The EEC has given the loan of 35 million Rwanda francs to Rwanda, through the European Investment Bank to finance the mining projects, particularly for the construction of a tin boundary near Kigali. This loan is repayable over 15 years at the rate of 2 per cent interest for the first four years and thereafter 6 per cent interest per annum. In 1980, at the request of Rwanda, EEC gave a £3 million grant for the development of irrigation. The EEC's overall aid to the East Central Africa is based mainly for the trade development with commercial motivations. By giving the aid or loan to the East Central Africa, the European Economic Community will get more profit economically and can play its role in the third world countries as a big agency. From the beginning, the European communities are concentrating the trade development with the African countries as colonial masters and then big traders.

The economical assistance to the East Central African nations, indicates the intervention of the Europeans in these countries and their motivations. The influence of the development aid can lead to the situation of intervention of local affairs and thereafter the conflict situation.

UN Special Agencies

The role of the UN's special agencies viz. World Bank, International Monetary Fund and United Nations

70 Ibid., vol. 14, no. 12, 31 January 1978, p. 4553B.
Development Programme etc. is vital in the development aid programmes in the post war period. In the case of East Central Africa, the World Bank's role is very active, especially in the case of Kenya and Tanzania, whereas the agencies are not. The World Bank's contribution to the East Central Africa is very precious.

**World Banks**

The World Bank has granted Kenya a development loan of $5.25 million. This loan is to rehabilitate 126 farmers by using the amount for on-farm investment in machinery and infrastructure and also for working capital as well as technical management services. The World Bank's assistance to Kenya is not only in agricultural sector, but also its assistance has been extended wherever it is essential. So, the World Bank has given an opportunity to Kenya to have an agreement with it. According to this agreement signed by Kenya, Kenya got help of $30 million to adjust its balance of payments as a result of inflation in Kenya. Therefore, the development aid from the World Bank to the East Central Africa can be seen in various forms in this region which is meant for the welfare of the people of the East Central Africa.

71 Ibid., vol. 12, no. 2, 31 March 1975, p. 3440B.
72 Ibid., no. 5, 30 June 1975, p. 3538A.
According to the announcement of the World Bank, in July 1975, Kenya got financial help of $63 million to finance the construction of the Gitaru hydro-electric power station on the upper Tana river.73 As per the loan agreement, this loan is repayable over 25 years at the rate of 8.5 percent interest per annum and also in the same month the World Bank approved a loan of $10 million to Kenya Industrial Development Bank to help finance part of its foreign exchange requirements up to the end of 1978. Despite the interest rate of World Bank is very high, Kenya is willing to take loan from the World Bank for its development. Therefore, the World Bank has given a loan of $25 million to Kenya for the improvement of water supplies at Mombasa and nearby coastal areas.74

The affiliated branch of the World Bank, the International Finance Corporation has given a credit of $2 million to Kenya, for Kenyan enterprises75 under a programme to be administered by the Kenyan Commercial Bank Ltd. It is well known that the wild life is very familiar in Kenya. Kenya is improving its tourism, which is playing a major role in foreign exchange. To develop this particular field, Kenya

73 Ibid., no. 6, 31 July 1975, p. 3568C.
74 Ibid., no. 10, 30 November 1975, p. 3697C.
75 Ibid., vol. 13, no. 7, 31 August 1976, p. 3985C.
has to get the financial aid from any agency. Therefore, according to Kenya's appeal, the World Bank has granted a $17 million loan for a $36.4 million wildlife tourism project.\(^{76}\) The World Bank is also providing a loan of $34 million to Kenya to finance the Bura irrigation settlement project designed to benefit some 65,000 resettled Kenyans.\(^{77}\)

The World Bank assistance towards the underdeveloped countries in the African continent is very useful. The World Bank has approved a loan of Shs. 240 million\(^{78}\) for the Nairobi-China water supply project, which is very essential to Kenyan people.

It is a fact that there is lack of facilities in the communication filed in the East Central Africa, and there are no telecommunication facilities in Burundi and Rwanda. In this aspect, as per the requisition of Kenya, the World Bank has given a loan of $63.5 million to finance the telecommunication project which gives the basic facilities in rural areas.\(^{79}\) Unless the rural areas develop, the countries will not improve, which are mainly based on agriculture occupation. Therefore, Kenya has to go for foreign aid for its

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76 Ibid., no. 9, 31 October 1976, p. 4049B.
77 Ibid., vol. 14, no. 5, 30 June 1977, p. 4314C.
78 Ibid., no. 12, 31 January 1978, p. 4553C.
79 Ibid., vol. 16, no. 3, 30 April 1979, p. 5076A.
development in every sector. In this connection Kenya got a loan of $46 million from the World Bank to develop the small holders of farms through the integrated agricultural development programme. For the same sector's development, the World Bank and Kenya have signed a loan agreement for $17 million to finance the agricultural development activities in 15 districts of Kenya. The small-holder areas of Kenya under the integrated agricultural development programme are to be provided the assistance to improve the coffee production. For this purpose, Kenya has sought a loan of Shs. 420 million from the World Bank to finance the small-hold farmers in Kenya. In this way the World Bank's role has become very important in Kenya.

The World Bank's development aid programmes in Tanzania also have some importance on the development of various sectors. The loans or credits from the World Bank have been given to Tanzania for more agricultural food and cash products. In 1974 the World Bank gave Shs. 150 million loan to Tanzania to finance a five-year cashewnut development programme. For the development of the sugar factory in Tanzania, the World Bank has provided a loan of $9 million.

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80 Ibid., no. 12, 31 January 1980, p. 53B0C.
81 Ibid., vol. 17, no. 2, 31 March 1988, p. 5453A.
82 Ibid., no. 2, 31 March 1980, p. 5453B.
83 Ibid., vol. 11, no. 4, 31 May 1974, 3118B.
for self-sufficiency and full development in the factory.84 Another loan from the World Bank worth Shs. 312 million has been received by Tanzania to finance the expansion of the Muanza Textile Mill. The loan is repayable in 22 years with five year moratorium and interest is @ 8.5 per cent per annum.85

In August 1976 an agreement was signed by the World Bank, West Germany and Sweden to provide funds to Tanzania for the construction of second phase of Kidatu hydro-electric project. According to this agreement, the World Bank has offered a loan of $ 30 million.86 For the urban water supply project in Morogoro, the World Bank has approved a loan of $ 15 million to Tanzania. This loan is repayable over 20 years including 4½ years' grace period at an interest rate of 8.5 per cent per annum.87

For the development of the domestic raw-material process, the World Bank has announced loan totalling $ 23 million to set up an industrial complex in Tanzania. This loan was granted on World Bank's terms and conditions for a period of 20 years @ 8.5 per cent rate of interest.88 The industrial sector has vital role for any country's development. The

84 Ibid., no. 9, 31 October 1974, p. 3275C.
85 Ibid., vol. 12, no. 5, 30 June 1975, p. 3538B.
86 Ibid., vol. 13, no. 8, 30 September 1976, p. 4015B.
87 Ibid., no. 12, 31 January 1977, p. 4148C.
88 Ibid., vol. 14, no. 3, 30 April 1977, p. 4250B.
concerned department's authority is trying to convert their field into industrial sector. In the same way, the agricultural sector should also be converted into industrial sector. For the progress in agricultural sector, irrigation channel or water supply project is indispensable. Tanzania in this connection made a request for loan from the World Bank in 1977. The World Bank gave a loan of Shs. 124.5 million to finance Morogoro town water project. The World Bank is also co-operated in regional integrated development programme by giving loan. In the case of Tanzania, the World Bank allocated Shs. 195.02 million to be spread over from 1977 to 1982 for the Tabora Regional Integrated Development Programme. This programme is to cover agriculture, livestock development and development of roads etc.

The decentralization of loans from the World Bank is one of the procedures to all the development aids to various countries. With the discretion power, the World Bank has given a Shs. 25 million loan to Tanzania Investment Bank. According to the terms and conditions of the loan agreement, it will be used for foreign exchange requirements and to invest in medium and larger scale industries, agro-processing and tourism development.

89 Ibid., no. 6, 31 July 1977, p. 4346C.
90 Ibid., no. 8, 30 September 1977, p. 4417A.
91 Ibid., vol. 16, no. 7, 31 August 1979, p. 5220B.
The contribution of the World Bank in the Central African nations viz. Burundi and Rwanda is less. The World Bank's soft loan of $15 million has been approved to finance a project to improve the diving conditions of low income urban families in Burundi.92 The loan is repayable over 50 years including 10 years grace period. It carries no interest but bears service charge at the rate of 0.75 per cent per annum. In the case of Rwanda the World and International Development Association have announced a loan of $8 million for the education project.93

International Monetary Fund

The US special agencies have their own principles and discretion power to assist the underdeveloped countries by giving loans to the deserving countries. The International Monetary Fund is also one of the UN special agencies. The assistance from this particular wing of UN has been given to the East Central Africa. In the case of Kenya, the IMF has co-operated by giving the necessary loan for economical benefit. The IMF announced on 20 January 1975 at Washington that Kenya has been authorized to purchase the special drawing rights up to 12 million (one special drawing right equals to US $1.25) in foreign currency. The privilege of

92 Ibid., vol. 17, no. 6, 31 July 1980, p. 5594A.
93 Ibid., vol. 12, no. 1, 28 February 1975, p. 3404C.
special drawing rights has been introduced by the UN (IMF) after the fall of the dollar value in the world market. So, the country which has the privilege of special drawing rights can utilize the equivalent money of special drawing rights value from the IMF. The IMF has announced its first mid term credit agreement under a system, set up in 1974 to help the countries making structural adjustments to solve external payment problems. The first beneficiary is Kenya who got a credit of 67.2 million SDR for three years.

Since the International Monetary Fund has the privilege to give loans and grants to the underdeveloped countries, in 1980, the IMF has given a loan of Shs. 57.03 million to Kenya with an interest of 0.5 per cent and the loan can be repaid over 5 years.94 Kenya has applied for short-term loan to the International Monetary Fund. Then the IMF has agreed to provide an amount of Shs. 730 million in short-term credit to finance the Kenya's budget deficit.95

The aid or the assistance in various forms is existing in the East Central Africa through the UN special agencies like World Bank, IMF, UNDP and FAO.

International Development Association

The International Development Association has its own role in the East Central Africa and sometimes it will

94 Ibid., vol. 17, no. 4, 31 May 1980, p. 5523B.
95 Ibid., no. 10, 30 November 1980, p. 5727A.
join with the World Bank to give the loans or grants to the East Central Africa. It has granted a credit of $4 million to Kenya for rural access roads' projects. The development aid programmes activities of the International Development Association are impressive in the East Central Africa. Sometimes it gives an interest free credit to these underdeveloped countries. To finance the Bura irrigation settlement project in Kenya, the International Development Association gave an interest free credit of $6 million to Kenya in 1977.

The activities of the IDA in the development aid programme are involved in training project of Kenya in 1981. For the purpose the IDA has given a credit of $31.4 million to Kenya. 96

The improvement in stock breeding methods are required in Tanzania. It appealed the International Development Association to grant loan in this context. The IDA has approved a $18.5 million loan to Tanzania to finance the project which was mentioned in the requisition by Tanzania. 97

According to the loan agreement, the loan is repayable over 50 years. The loan is an interest-free but the service charges at the rate of 0.75 per cent per annum. With the privilege of flexible negotiations with International Development Association, Tanzania had its negotiations in

96 Ibid., vol. 18, no. 3, 30 April 1981, p. 5887C.
97 Ibid., vol. 10, no. 4, 31 May 1973, p. 2732A.
1974 with IDA to get the financial assistance to seven-year project, which is meant for the promotion of cotton and maize products.

The assistance of the IDA in the East Central Africa is incentive programme. With this help, these countries can have the IDA's co-operation in agricultural and other sectors to get the self-sufficient production. The IDA has provided $9 million to Tanzania for the development of sugar industry. The development of agriculture and industrial sector of Tanzania are dependent on the co-operation in giving the aid or assistance of various developed countries and multilateral agencies. In the process of getting aid from the donor country or agency, Tanzania has to maintain certain principles. The movement of the recipient country with donor country is very important in this regard. Accordingly the recipient country is to be given the assistance. The understanding between the International Development Association and Tanzania are positive to get assistance. Tanzania got a loan of $10 million for dairy development from the IDA. The loan was for 50 years including a 10-year grace period and it carries no interest with a service charge of 0.75 per cent.

Most of the financial assistance of the International Development Association does not carry the interest. In fact the Least Developed Countries can have this type of loans
only, and more over, the service charge is very less. It is the reason the Least Developed Countries want to get the loans or grants or any assistance as much as possible from the International Development Association. Tanzania's poor condition in technology has compelled the country to get the assistance in this field from the IDA. As required by Tanzania, the IDA has given a credit of $6 million to help finance a technical assistance project in Tanzania. According to this credit agreement, the amount is repayable over 50 years with a 10-year grace period. No interest is there, but the service charges of 0.75 per cent per annum is there. When Tanzania is facing the financial crisis, the IDA has given the immediate assistance with $15 million with interest-free credit. The IDA has also supported Tanzania during this time in the long-term development programme.

The assistance of IDA in the Central African countries viz. Burundi and Rwanda is also to be seen. The IDA has granted a credit of $5 million to help finance for the project of road network. The production of food crops and cash crops are very poor in Burundi. To improve this production, Burundi needs modern technology or new methods in the agriculture sector. For this purpose, it required more

98 Ibid., vol. 12, no. 11, 31 December 1975, p. 3729B.
99 Ibid., vol. 11, no. 3, 30 April 1974, p. 3084C.
assistance from various multilateral agencies, specially from the IDA agency, which is giving the financial assistance without interest. The assistance from the IDA has been approved for Burundi in 1976 worth of $ 5.2 million to improve coffee production in Burundi. 100

The concentration of Burundi in developing the agriculture sector is continued and also started to develop the fisheries development project, with the help of IDA by getting a credit of $ 6 million for fisheries 101 project. Burundi has to improve the fish production with the help of foreign technical assistance, training and equipment. In Burundi, the natural resources and its exploitation are very less. The process of exploitation of resources will incur more expenditure. So Burundi got $ 4 million credit from the IDA to improve or develop the project to exploit the country's nickle resources. 102 Another small country viz. Rwanda also has got the IDA's two credits totalling $ 5.8 million. 103 The funds will help the Rwanda Development Bank and also finance the expanded production of Cinchona an ever green tree whose bark yields a febrifuge, a drug to reduce fever. The credit is repayable in 50 years and no interest is levied. The grace period is 10 years and the service charge is 0.75 per cent per annum.

100 Ibid., vol. 13, no. 2, 31 March 1976, p. 3824B.
101 Ibid., no. 6, 31 July 1976, p. 3950A.
102 Ibid., vol. 18, no. 5, 30 June 1981, p. 6055B.
103 Ibid., vol. 13, no. 7, 31 August 1976, p. 3986A.
Food and Agricultural Organisation

The Food and Agricultural Organisation is one of the UN special agencies. It is also participating in the development aid programmes in the East Central Africa. In 1980, the grant of FAO has been awarded to Kenya for the establishment of the International Centre for Insect Physiology and Ecology for research on crop bores. 104 This special agency and World Food Programme have granted $11.37 million for a dairy development project in Tanzania. 105 The services and motives of the UN special agencies are meant for the development of the underdeveloped countries. But the agencies will not function at the cost of other member countries of the UN. The FAO will also extend its services or assistance immediately wherever the necessity is required. The assistance of Shs. 120.0 million from FAO has been given to the victims of the Uganda Tanzania war in Kagera is salient. 106 The assistance is in the form of agricultural inputs. The assistance of this special agency is to be given to various underdeveloped countries particularly in the case of agricultural development activities.

United Nations Development Programme

Among the UN special agencies, United Nations

104 Ibid., vol. 17, no. 6, 31 July 1980, p. 5593C.
105 Ibid., vol. 13, no. 6, 31 July 1976, p. 3951B.
106 Ibid., vol. 16, no. 8, 30 September 1979, p. 5254B.
Development Programme is one of them. This agency is meant for the development programme in Third World countries. The programmes of this agency are very much familiar in the world society, especially in Third World countries. This agency activities in the East Central Africa are less than the activities of the International Development Association. The UNDP's grant worth $14.5 million has been given to Kenya for the expansion of rural programmes over the period 1975-77. The importance of the UNDP's programmes is that Tanzania has been granted Shs. 16.7 million from the three UN organizations towards the cost of its new capital building at Dodoma. This agreement was signed by UNDP and Tanzania on 16 August 1975.

Organisation for Petroleum Exporting Countries (OPEC)

The Organisation for Petroleum Exporting Countries is also participating in the development aid programmes in the East Central Africa. Its activities in this programme are few, but covered all these five countries, viz. Kenya, Tanzania, Uganda, Burundi and Rwanda. The aid programmes of this organisation are based on commercial motivations. The loans sometimes from this organisation will carry the interest and sometimes not. In 1977, the Commonwealth Development Corporation has granted Kenyan Tea Development

107 Ibid., vol. 12, no. 6, 31 July 1975, p. 3568C.
108 Ibid., no. 8, September 1975, p. 3633A.
Authority (KDTA) a Shs. 10 million loan for the purchase of fertilizer under an agreement on 24 January 1977. This loan carries an interest rate of 6 per cent and will be repaid in 10 years after a two-year grace period. In the same year, the governing body of OPEC special fund decided to provide new assistance to Kenya worth US $ 5,500 million for Nairobi water supply project No. II. 109 This decision has been taken on 17 November 1977 in the sixth session held in Kuwait. Despite the loan of OPEC is carrying more interest (6 per cent per annum), Kenya is coming forward to take this type of loan for its development projects. Kenya was granted a loan worth $ 4 million to finance the development project. 110 The loan is repayable over 15 years, after a 5-year grace period. In the same year with different condition, a loan was given to Tanzania worth $ 5 million. 111 Tanzania has to repay the loan over 15 years with 4 years grace period.

The OPEC has given the loan to Uganda worth $ 5 million to finance development projects. Hence, the OPEC has fixed the same maturity period to Uganda like Kenya. The loan is repayable over 15 years with a 5-year grace period. The Burundi government has got the loan without interest from the OPEC. As per the agreement between OPEC and

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109 Ibid., vol. 14, no. 11, 31 December 1877, pp. 4521B and C.

110 Ibid., vol. 17, no. 4, 31 May 1988, p. 5524C.

111 Ibid.
Burundi, for a water drainage project, the loan of $3 million has been sanctioned. It carries no interest. The loan can be repaid over 20 years with a 0.75 per cent service charge. Rwanda has also been given loan worth $2810 million in 1971 for hydro-electric project.

Third World Countries' Participation in Development Aid Programmes, especially India's Role

The participation of Third World countries in the development aid programmes is very less in general, as these countries are developing countries. Despite the standard of these countries is in such a condition, some countries like India, Kuwait, Iraq etc. are participating in the development aid programmes in the East Central Africa.

India

India has been participating in the development aid programmes to maintain the relations in such a way with other underdeveloped countries that it has to achieve the ends of the foreign policy based on national objectives. Its participation in development aid programmes has been started just after three years of its independence in 1947. It has started the development aid programmes with technical

112 Ibid., vol. 14, no. 11, 31 December 1977, pp. 4521B and C.
assistance and economic co-operation within the Third World countries. The activities of India in development aid programmes with the Third World countries are bilateral aid programmes. In terms of mutual help and co-operation through sharing of experience, within Third World, India is playing a major role. India's co-operation for collective self-reliance has been exerted through agencies, such as the UNCTAD, non-aligned countries, the Group of 77 and various other regional and global forums.

The other multilateral aid programmes in which India has participated are the Commonwealth Fund for Technical Co-operation (CFTC) the United Nations Development Programme (UNDP), the Asian Development Bank, the Economic Commission for Asia and the Pacific (ESCAP - formerly ECAFE : Economic Commission for Asia and the Far East) and the World Bank's Technical Assistance Special Fund (TASF). 113

India has started the process of technical and economic co-operation programmes in 1964 with the launching of the Indian Technical and Economic Co-operation Programme (ITEC). In addition to this, India has already offered the co-operation to various countries of Asia, Africa under the Colombo Plan since 1950 and Special Commonwealth African Assistance Plan since 1960, which are multilateral programmes.

Among the Third World countries, India is participating actively in the development aid programmes. With this spirit and service motive, India has given a credit of Shs. 100 million to Kenya for Kenya's industrial development. 114 India's activities of development aid programmes in the East African nations -- Kenya, Tanzania and Uganda -- are increasing. In the year 1983, Kenya and India have signed an agreement for a credit of $6 million (¥50 million) for Kenya's development in general. 115 Being a developing country, India is taking interest in giving credits or loans for the development activities in East Africa. Having knowledge in science and technology, India is contributing by sending technical experts to Tanzania and has agreed to give its co-operation in the Economic, Technical and Scientific fields, particularly in fisheries, oil and mineral exploration and training of technical personnel. 116 The relations between Tanzania and India has been improved. The relations have made Tanzania to receive an advance of soft loan worth Shs. 37.5 million from India. 117 This loan is meant for setting up of 52 small scale industries in Tanzania. Another two agreements have also been signed at Bombay on 6 September 1976 for two loans to manufacturing the industrial goods.

115 Ibid., vol. 19, no. 12, 31 January 1983, p. 6710A.
116 Ibid., vol. 12, no. 1, 23 February 1975, p. 3406B.
117 Ibid., vol. 13, no. 8, 30 September 1976, p. 6017A.
India's co-operation even in the payment of Indian experts at Tanzania is considerable. India gave Tanzania a credit of Shs. 4 million to assist in the payment of Indian experts engaged in gas and oil exploration at Songo Songo island coast region in Tanzania.\footnote{118} In the case of Uganda, India granted a credit of $6 million (Rs. 50 million) under an agreement signed on 26 September 1979. This credit is to finance Uganda imports from India of machinery and equipment. It is repayable in 12 years including an initial grace period of two-and-a-half years. \footnote{119}

Kuwait

In the development aid programmes, the Third World countries contribution is less comparatively with the OECD countries. Kuwait is one of the contributors among the Third World countries. It has given a loan of Shs. 213 million to Uganda as per the agreement. The loan is for a term of 21 years with a 4-year grace period and the interest is 2 per cent per annum. Kuwait's agreement with the landlocked countries in the East Central Africa viz. Uganda, Burundi and Rwanda are there during the period 1973-1982. Kuwait has given Burundi a loan of 6 million for a road project under an agreement signed on 7 November 1977.\footnote{120} The Kuwait fund for Arab Economic Development has granted Rwanda

\footnotesize
\begin{itemize}
\item \footnote{118} Ibid., vol. 16, no. 7, 31 August 1979, p. 5221B.
\item \footnote{119} Ibid., no. 12, 31 January 1980, p. 5332C.
\item \footnote{120} Ibid., vol. 14, no. 10, 30 November 1977, p. 4490B.
\end{itemize}
$4.24 million to finance the Kigali-Kanombe International Airport Project. The loan is at the rate of 2 per cent. The loan is repayable over 24 years with a four year grace period.\textsuperscript{121}

**Iraq**

Iraq is also giving assistance to Tanzania. Iraq has agreed to give a low-interest loan of $30 million and to supply 50 per cent of its crude oil.\textsuperscript{122} Tanzanian President Nyerere paid a three-day state visit to Iraq from December 18 to 20 in 1979 during which two agreements were signed for co-operation in Banking and technical and youth and sports affairs.

The development aid programme activities of the Third World countries are useful to some extent for the development of certain sectors of East Central Africa. Of course these countries (Third World countries) activities are not comparable with the OECD countries and other multilateral agencies and organisations. Third World countries have to get development. Despite they are developing countries, their contributions to the East Central Africa are appreciable especially in the case of India. Geographically and demographically India is a big country among the Third World countries. Even though it has some development problems,

\textsuperscript{121} Ibid., vol. 18, no. 12, 31 January 1982, p. 6291B.
\textsuperscript{122} Ibid., vol. 17, no. 6, 31 July 1988, p. 5596A.
it is co-operating with the East Central Africa.

The participation of nations and agencies in the development aid programmes and their nature of aid to the East Central Africa has been discussed. The organisation of economic co-operation and development countries has mainly participated in this programme. The role of the special agencies of United Nations is important in the development aid programmes. The other organisation of petroleum exporting countries is also actively participated in the development aid programmes in the East Central Africa. The Soviet bloc and communist bloc have participated in these programmes to maintain their status in the world society. Lastly, the role of Third World countries in giving co-operation or assistance to the East Central Africa is also noticeable.

The total agreements of East Central Africa with various countries, agencies and organisations, during the period 1973-1982 in various types, have been furnished in the following table.

Table
(Next Page)
Table 7-1

Total Agreement for Development Aid During the Period
1973-1982

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Country</th>
<th>Total Agreements</th>
<th>Multilateral agencies</th>
<th>Bilateral agreements from OECD</th>
<th>Bilateral agreements from OPEC</th>
<th>Asia</th>
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<tbody>
<tr>
<td>1</td>
<td>Kenya</td>
<td>118</td>
<td>38</td>
<td>73</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
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<td>29</td>
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<td>3</td>
<td>Uganda</td>
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<td>5</td>
<td>5</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Burundi</td>
<td>15</td>
<td>13</td>
<td>-</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Rwanda</td>
<td>15</td>
<td>9</td>
<td>5</td>
<td>1</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: *Africa Research Bulletins* from 1973-1982
(Economic, Finance and Technical series)

The development aid or foreign assistance from various countries and agencies have been given to East Central Africa during 1973-1982. The same has been furnished by indicating the channels of multilateral and bilateral sources.
Table 7-2

Development Aid Through Bilateral and Multilateral Sources: 1973-1982
(million of US dollars)

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>Bilateral</td>
<td>78.4</td>
<td>93.8</td>
<td>113.7</td>
<td>122.2</td>
<td>148.1</td>
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<td>307.8</td>
<td>307.8</td>
<td>333.33</td>
</tr>
<tr>
<td></td>
<td>Multilateral</td>
<td>16.2</td>
<td>19.0</td>
<td>21.7</td>
<td>29.5</td>
<td>41.1</td>
<td>41.1</td>
<td>135.3</td>
<td>137.8</td>
<td>137.8</td>
<td>221.4</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Bilateral</td>
<td>92.6</td>
<td>155.1</td>
<td>195.7</td>
<td>234.7</td>
<td>267.2</td>
<td>267.2</td>
<td>437.6</td>
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CONCLUSION:

After receiving the development aid from the developed countries, multilateral agencies and individual countries of Third World, the people of East Central Africa are still struggling for their better life. The East Central African countries need the technical know-how in industrial and agricultural sectors for better and more production. Even though the human resource is available in these countries, the technical or professional manpower is inadequate in the sectors cited above.

In respect of agriculture sector, the best quality of seeds and fertilizers are inadequate. There are not much irrigation facilities to cultivate the arable land which is available in small quantity. Due to these development problems, they could not reach to have at least self-sufficient production. The development aid is not receiving in the form of essential and sufficient equipment for the development of the agriculture and industry. The East Central African governments are still struggling for the construction of transport facilities from town to town and important market centres. The condition of communication facilities are not good. Even though there is assistance from abroad recordedly, the improvement of certain sectors is not there.

They could not develop the agriculture sector to convert into industrial sector. For the development of
industrial sector, they received assistance from West Germany. But they could not reach to that extent, they can stand themselves for better production in this particular sector. They do not have sufficient capacity in power supply division. The thermal power stations are very very less.

The training for technological development in the industrial sector is not sufficient despite some persons having been trained in foreign countries. The Kenyan and Tanzanian governments have sent their personnel to various places for training in this connection. With a little knowledge, they are trying to develop their industrial sector. The East Central African nations are getting this type of assistance through bilateral relations. Also, these countries are receiving loans and grants from their concerned donor countries to utilize the knowledge of trainees for the development of the industrial sectors. To develop the agriculture and industrial sectors, the East Central African countries are receiving aid, loans and grants from individual countries and multilateral agencies.

The underdeveloped countries naturally need the assistance from the developed countries. This is universal common phenomenon. At the same time, the situation of inability of the underdeveloped countries will be caused to face some problems to get the assistance.
Unless the developed country feels some benefit, the donor country will not give any type of aid to donee country.

One side, the East Central African nations are facing development problems in agriculture and industrial sectors, and another side by getting aid or loan from the developed countries and multilateral agencies like World Bank and IMF, the East Central African nations certainly will face the financial crisis. When they are not in a position of getting up from the natural phenomenon of natural calamities like floods, droughts, and diseases, and the underdevelopment of agriculture and industrial sectors, how will they come out from the debts' clutches, which can lead to the financial crisis? This development aid impact will be effected in other sectors of social life in the East Central Africa. If the East Central African nation-states are receiving more and more financial aid, the debts burden will be increased and they may not come out from the jeopardize circle of poverty.

To avoid this situation, they have to get the technical assistance more and more. These countries need technical education essentially. The technical personnel is indispensable in agriculture and industrial sectors. If they reach the improvement or development point in the sectors cited above, they can lead a better quality of life in future.
Although they receive the development aid they are not able to utilize it in proper way. Certain donor countries are also not bothering about the performance of the East Central African governments. The terms and conditions in the agreement for the aid or loans are such. For example, the donor country will stick on to the point of interest of the aid or loan. It shows that the donor country is interested to get the economical benefits only.

Therefore, one cannot say that due to financial aid, the East Central African people can improve their standard of living. Unless they have indigenous production more in agriculture and industrial sectors, with the help of technological assistance or knowledge, they cannot develop their standard of living.